



# Official Guide For The Sales Tax Holiday

## General Information

Miss. Code Ann. Section 27-65-111(bb) provides a sales tax holiday in the State of Mississippi. A sales tax holiday is a temporary period when sales taxes are not collected or paid on purchases of specific products and/or services.

According to the Mississippi Sales Tax Holiday passed in the 2009 Legislative Session, Sales Tax is not due on the sale of articles of clothing or footwear if the sales price of a single the item is less than One Hundred Dollars (\$100.00).

**The 2011 Sales Tax Holiday takes place between  
12:01 A.M. Friday, July 29, 2011 and  
12:00 Midnight Saturday, July 30, 2011.**

## Definitions

“Clothing” is any article of apparel designed to be worn on the human body including pants, shirts and blouses, dresses, coats, jackets, belts, hats, undergarments, and multiple piece garments sold as a set.

“Footwear” is any article of apparel for human feet except for skis, swim fins, roller blades, skates, and any similar items.

“Accessories” as jewelry, handbags, luggage, umbrellas, wallets, watches, backpacks, briefcases, and similar items do not qualify for the Sales Tax Holiday.

**Eligible and Non-Eligible Items.** The Sales Tax Holiday will apply statewide to all consumer purchases of clothing and footwear with sales prices of less than \$100.00 per article during the Sales Tax holiday. The tax holiday does not apply to sales of any other items not defined as clothing or footwear. A list of eligible items is provided in this guide.

### Contact Us

Should you have any additional questions regarding the Sales Tax Holiday, you may contact the us at (601)923-7015.

Cities may elect to opt out of the Sales Tax Holiday, and retailers in those cities who have officially opted out of the Sales Tax Holiday may not participate in the holiday. A list of the cities that have opted out of the holiday has been included in this publication.

## Guidelines

**\$100 Threshold.** The Sales Tax Holiday applies to each eligible item selling for less than \$100.00, regardless of how many items are sold at the same time. Items priced at \$100.00 or more are subject to Sales Tax at the regular retail rate of 7%.

For example, a customer purchases two (2) shirts at \$50.00 each, a pair of slacks at \$75.00, and a pair of shoes at \$110.00. No Sales Tax is due on the sale of the two shirts and the pair of slacks at a cost of \$175.00, even though the combined cost exceeds the one hundred dollar (\$100) threshold. However, Sales Tax is due on the entire \$110.00 for the shoes since they exceed the one hundred dollar (\$100) threshold.

**Rentals of Items.** Rentals of clothing and footwear do not qualify for the Sales Tax Holiday and are subject to 7% Sales Tax.

**Items Sold as a Unit.** Articles that are normally sold together, such as a pair of shoes or a uniform, must continue to be sold as a set or a single unit. Components of the unit cannot be priced separately and sold as individual items in order to qualify for the holiday.

However, if components of a unit are normally priced as separate items, then they may continue to be sold as separate items and qualify if the price of the article is less than \$100.00.

**Parings of Eligible and Non-Eligible Items.** When eligible items are normally sold with non-eligible items as a set or a single unit, the full price is subject to Sales Tax if the value of the non-eligible (taxable) item exceeds the eligible ones.



# DEPARTMENT OF REVENUE

## STATE OF MISSISSIPPI

# SALES TAX HOLIDAY 2011

### **Buy One, Get One Free or For a Reduced Price.**

The total price of items advertised as "buy one, get one free" or "at a reduced price" cannot be averaged to qualify both items for the holiday. The amount of Sales Tax due depends on the actual price paid for each item sold.

For example, if a retailer advertises a pair of pants as "buy one, get one half off" with the first pair of pants priced at \$120.00 and the second pair half off, then Sales Tax is due on the first pair priced at \$120.00, though the second pair (\$60.00) would not be subject to Sales Tax. Because the store advertised the sale as "buy one, get one half off", the store cannot sell each pair of pants for \$90.00 in order for the items to qualify for the holiday.

However, the retailer may advertise and sell each pair of pants at 50% off, selling each pair of \$120.00 pants for \$60.00, thus making each pair sold eligible for the holiday.

**Discounts, Coupons, and Rebates.** Retailers may offer store discounts and store coupons to reduce the price of an eligible item to or less than \$100.00 in order to qualify for the holiday.

However, manufacturer's coupons do not reduce the sales price of an item; as a result, a manufacturer's coupon cannot be used to reduce the selling price of an item to less than \$100.00 in order to qualify for the holiday. Likewise, a manufacturer's rebate does not reduce the sales price of an item until after the sale has occurred, thus having no affect on the sales price of the item and cannot be used to qualify a non-eligible item.

**Layaway Sales.** Layaway sales of eligible items do not qualify for the holiday.

**Mail, Telephone, and Internet Sales.** Sales of eligible items that were placed or ordered by mail, telephone, or the internet are not subject to Sales Tax if the purchaser orders and pays for the items during the Sales Tax Holiday and the items are less than the \$100.00 threshold.

**Shipping and Handling Charges.** Shipping and handling charges are not to be included as part of the sales price of eligible items in determining whether items meet the \$100.00 threshold.

**Rain Checks.** Eligible items purchased during the Sales Tax Holiday using a rain check qualify for the holiday only if the rain check is redeemed during the Sales Tax Holiday. If it is redeemed after the holiday, the purchase is subject to Sales Tax.

**Refunds and Exchanges.** If an eligible item was purchased during the Sales Tax Holiday and returned after the holiday for credit on the purchase of a different item, Sales Tax is applied to the sale of the newly purchased item. For example, a customer purchases a \$35.00 shirt during the Sales Tax Holiday. After the holiday, the customer returns the shirt, receives a credit for the shirt, and then buys a \$35.00 jacket. Sales Tax is due on the \$35.00 price of the jacket since the jacket was not purchased during the holiday.

If an eligible item was purchased during the Sales Tax Holiday and later exchanged for the same item but it's a different size, different color, etc., then Sales Tax is not to be charged even if the exchange is made after the holiday. For example, a customer purchases a \$53.00 shirt during the Sales Tax Holiday and returns the shirt in exchange for another size of same style of shirt after the holiday, Sales Tax is not due on the exchanged shirt.

If eligible items were purchased before the Sales Tax Holiday but during the holiday the item was returned and a credit was received on the purchase of a different eligible item, then no Sales Tax is due on the sale of the new item if the new item is eligible for the holiday.

### **Note to Retailers**

**Reporting and Record Keeping.** Adequate records must be maintained to substantiate tax classifications of sales and purchases regarding the Sales Tax Holiday.

When reporting the qualifying sales, retailers should use one of the open lines in the "Schedule of Itemized Deductions" to report the dollar amount of qualifying sales. "QSTHS" (Qualifying Sales Tax Holiday Sales) should be used to indicate the deduction.



# List of Eligible and Non-Eligible Items

## A

- Accessories (generally) (N)
  - Barrettes (N)
  - Belt buckles (sold separate) (N)
  - Bobby pins (N)
  - Briefcases (N)
  - Elastic ponytail holders (N)
  - Hair bows and Hair clips (N)
  - Handkerchiefs (N)
  - Headbands (N)
  - Jewelry (N)
  - Purses and Handbags (N)
  - Watches or Watch bands (N)

Adult diapers (N)

Alterations (N)

Aprons (household) (N)

Aprons (welders) (N)

Athletic socks (E)

## B

- Baby bibs (N)
- Baby clothes (E)
- Baby diapers (cloth / disposable) (N)
- Backpacks (N)
- Baseball caps (E)
- Baseball cleats (N)
- Baseball gloves (N)
- Baseball jerseys (E)
- Baseball pants (N)
- Bathing caps (N)
- Belt buckles (N)
- Belts with attached buckles (E)
- Belts for weight lifting (N)
- Blouses (E)
- Boots (general purpose) (E)
  - Climbing (cleated or spiked) (N)
  - Cowboy (E)
  - Fishing (waders) (N)
  - Hiking (E)
  - Overshoes and galoshes (N)
  - Rubber work boots (N)
  - Ski and Waders (N)
- Bow ties (E)
- Bowling shirts (E)
- Bras (E)
- Buttons and Zippers (N)

## C

- Camp clothes (E)
- Caps (baseball, fishing, golf) (E)
- Chef uniforms (E)
- Children's novelty costumes (E)
- Chest protectors (N)
- Clerical vestments (E)
- Cloth, lace, knitting yarns, etc. (N)
- Coats and wraps (E)
- Corsages and boutonnieres (N)
- Costume (Outfits or Apparel) (E)
- Coveralls (E)

## D - E

- Diapers (cloth and disposable) (N)
- Dress Gloves (unless rented) (E)
- Dresses (E)
- Elbow pads (N)
- Employee uniforms (E)

## F

- Fabrics, thread, buttons, lace, etc. (N)
- Fins (swim) (N)
- Fishing boots (waders) (N)
- Fishing caps (E)
- Fishing vests (non-flotation) (E)
- Football jerseys (E)
- Football pads (N)
- Football pants (N)

## G

- Gloves (generally) (N)
  - Bicycle (N)
  - Dress (E)
  - Garden (N)
  - Rubber (N)
  - Sports (football, golf, etc.) (N)
  - Surgical (N)
  - Work (N)

Goggles (N)

Golf caps (E)

Golf equip. (gloves, shoes, etc) (N)

Golf dresses (E)

Golf jackets and windbreakers (E)

Golf shirts (E)

Golf skirts (E)

Graduation caps and gowns (N)

Gym suits and uniforms (E)

## H

- Hair nets, bows, clips, & barrettes (N)
- Handbags and purses (N)
- Handkerchiefs (N)
- Hard hats (N)
- Hats (E)
- Headbands (N)
- Helmets (bike, motorcycle, etc.) (N)
- Hockey gloves (N)
- Hooded shirts/sweatshirts (E)
- Hosiery, and support hosiery (E)
- Hunting vests (E)

## I - L

- Ice skates (N)
- Insoles (N)
- Jackets (E)
- Jeans (E)
- Jewelry (N)
- Jogging apparel (E)
- Knitted caps or hats (E)
- Luggage (N)
- Leg warmers (E)
- Leotards and tights (E)
- Life jackets and vests (N)

## N - P

- Neckwear and ties (E)
- Nightgowns and nightshirts (E)
- Overshoes and rubber shoes (N)
- Pads (Sports or Support) (N)
- Painter pants (E)
- Pajamas (E)
- Pants (E)
- Panty hose (E)
- Personal flotation devices (N)
- Pocket squares (N)
- Protective equip. (gloves, masks, pads, etc.) (N)

## R

- Raincoats and ponchos (E)
- Rain hats (E)
- Religious clothing (E)
- Ribbons (N)
- Robes (E)
- Roller blades or skates (N)

## S

- Safety clothing (N)
- Safety glasses (N)
- Safety shoes (E)
- Scarves (E)
- Scout uniforms (E)
- Sewing patterns (N)
- Shawls and wraps (E)
- Shin guards and padding (N)
- Shirts & Hooded shirts (E)
- Shoe inserts (N)
- Shoelaces (N)
- Shoes (generally) (E)
  - Boat (E)
  - Cross trainers (E)
  - Dress (E)
  - Fishing boots (waders) (N)
  - Flip-flops (rubber thongs) (E)
  - Jazz and dance (N)
  - Jellies (E)
  - Overshoes (N)
  - Running (without cleats) (E)
  - Sandals (E)
  - Slippers (E)
  - Sneakers and tennis (E)
  - Tap dance (N)
  - Tennis (E)
  - Walking (E)
  - Sport Design (i.e. any spiked or cleated / specifically designed for a sport such as golf, football, soccer, etc.) (N)

Shoulder pads (N)

Shorts (E)

Skates (ice and roller) (N)

Ski vests (water) (N)

Skirts (E)

## S

- Sleepwear/nightgowns/pajamas (E)
- Slippers (E)
- Slips (E)
- Soccer socks (E)
- Socks (E)
- Sports helmets (N)
- Sports pads (football, soccer, elbow, knee, shoulder, etc.) (N)
- Suits, slacks, and jackets (E)
- Sunglasses (N)
- Support hosiery (E)
- Suspenders (E)
- Sweatbands (arm, wrist, head) (N)
- Sweatshirts and Sweat suits (E)
- Sweaters (E)
- Swimming masks and goggles (N)
- Swimsuits (E)

## T

- Tennis dresses, shorts, shoes (E)
- Tennis skirts (E)
- Ties (neckties - all) (E)
- Tights (E)
- Trousers (E)

## U - V

- Umbrellas (N)
- Underclothes (pants and shirts) (E)
- Veils (E)
- Vests (generally) (E)
  - Bulletproof (N)
  - Fishing (non-flotation) (E)
  - Flotation (N)
  - Hunting (E)
  - Sports Related (N)

## W

- Wallets (N)
- Watch bands (N)
- Watches (N)
- Water ski vests (N)
- Weight lifting belts (N)
- Wet and dry suits (N)
- Work clothes (E)
- Work uniforms (E)
- Workout clothes (E)
- Wrist bands (N)

### Key for Items:

(E) = Eligible &  
Non-Taxable

(N) = Non-Eligible &  
Taxable



## List of Non-Participating Cities for the Sales Tax Holiday

The following cities have adopted resolutions to not to participate in Mississippi's 2011 Sales Tax Holiday. Retailers in the following cities are required to charge sales tax on all retail sales of articles of clothing and footwear Friday, July 29 and Saturday, July 30, 2011.

Bolton  
Enterprise  
Heidelberg  
Magnolia  
Crenshaw